

July 29, 2008

Gary K. Van Meter
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Re: Rural Community Investments - Proposed Rule

Dear Mr. Van Meter:

I am writing to express AgCountry Farm Credit Services' support of the Farm Credit Administration's proposed rule regarding rural community investments published at 73 Fed. Reg. 33931 (June 16, 2008). The proposed rule would enable Farm Credit System (FCS) associations to more effectively serve the needs of rural America by authorizing associations to invest in rural communities. This authority fits well with the overall FCS mission to be a reliable, customer-owned provider of credit and related services to agriculture, businesses on which agriculture relies and others in rural America.

Access to capital has always been a challenge in rural areas. That challenge is particularly significant today. The financial industry outside of the FCS is paralyzed by the sub-prime meltdown. Bank failures have occurred recently in the Midwest due to losses related to real estate investments. Consumer and commercial real estate mortgage default rates are expected to climb due to structural weaknesses when loans were underwritten. As the credit quality of banks declines, they will likely find themselves in a constrained capital position. This will directly result in more tightened lending practices for our rural communities.

The proposed rule is compatible with USDA's commitment to rural communities and the U.S. Department of Treasury's New Market Tax Credit program to attract economic development to rural communities. AgCountry has customers in 42 primarily rural counties in eastern North Dakota and west central and northwestern Minnesota. Our customers continue to inform us of their communities' difficulties in providing essential community facilities, infrastructure and services due to funding challenges.

AgCountry is committed to collaborate with government agencies and partner with financial institutions to bring financing to rural communities struggling to retain economic viability and vitality due to tightening credit. AgCountry's Board members recognize the importance of the rural community investments program to the economic well-being of their rural communities. With this in mind, we fully support the proposed rule and are committed to providing capital for investments in our rural communities.

Sincerely,



Robert C. Bahl
Chief Executive Officer